



SOYBEANS: DECLINING EXPORTS, LARGE STOCKS

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Summary

At 3.086 billion bushels, the 2005 U.S. soybean crop was 43 million larger than the November forecast and only 38 million smaller than the record crop of 2004. The U.S. average yield is estimated at a record 43.3 bushels per acre, 0.6 bushels higher than the November forecast and 1.1 bushels above the previous record yield of 2004. Harvested acreage of soybeans in 2005 totaled 71.361 million, the lowest figure since 1998.

The USDA estimated that December 1, 2005 stocks of soybeans in the U.S. at a record 2.502 billion, nearly 200 million more than on the same date last year. Consumption of U.S. soybeans during the first quarter of the 2005-06 marketing year was at a 5 year low of 840 million bushels due to a very slow export pace and a modest level of feed and residual use. The USDA projects stocks of U.S. soybeans at the end of the current marketing year at 505 million bushels, the largest since the record level of stocks (536 million) at the end of the 1985-86 marketing year.

The average farm price of soybeans

during the first four months of the 2005-06 marketing year was near \$5.70, much higher than would be expected given the significant surplus of U.S. and world soybeans. For the year, the USDA projects the average farm price in a range of \$5.10 to \$5.80. The midpoint of that range, \$5.45, implies lower average prices during the final 8 months of the marketing year. Based on the historic relationship between the year ending stocks-to-use ratio and the marketing year average farm price, a carryover of 505 million bushels would suggest an average price near the low end of the USDA's projected range. An average that low would require a sharp decline in prices over the next 8 months. The fate of the South American crop and prospects for the U.S. crop, along with speculative futures trading, will determine if prices move lower or continue the strength being experienced in late January.

U.S. Production Estimate Increased

the 2005 U.S. soybean crop turned out to be much larger than expected late in the growing season. The larger crop, now estimated at 3.086 billion bushels, was a result of higher than expected yields.

The 2005 U.S. average yield is estimated at 43.3 bushels per acre, 0.6 bushels higher than the November forecast and 1.1 bushel above the previous record yield of 2004 (Table 1). After spiking to 41.4 bushels in 1994, U.S. average yields were in range of 33.9 to 39.6 bushels from 1995 through 2003, raising concerns about the yield potential of soybeans in the U.S. The record yields of the past two years may have put those concerns to rest.

The 2005 average yield of 43.3 bushels per acre was 2.5 bushels higher than suggested by the USDA crop condition ratings at the end of the season. The percent of the crop rated in good or excellent condition at the end of the growing season explained about 87 percent of the variation in annual average yields from 1986 through 2004. That relationship pointed to an average yield of 40.8 bushels in 2005. Models that correlate state average yields to trend and average monthly state weather variables have been developed for Illinois, Indiana, and Iowa. For 2005, the average state yield was 1.9 bushels higher than projected in Illinois, 0.2 bushels lower than projected in Indiana, and 4.4 bushels higher than projected in Iowa. It appears that the surprise in yields in 2005 did not come in the dry areas, but in areas with relatively good growing conditions.

The 2005 U.S. soybean crop was only 38 million bushels smaller than the record crop of 2004 and only the second crop that has exceeded 3 billion bushels (Table 2). The January estimate of crop size was 245 million bushels (10.6 percent) larger than the USDA's August forecast. The difference was large by

historic standards, but the percentage increase from August to January was not as large as in 1994 (12.1 percent).

The larger than expected crop materialized even though soybean acreage declined significantly from that of 2004 and was well below the early 2005 estimates. Actual planted acreage of soybeans in 2005 is estimated at 72.143 million, 58,000 below the November forecast, 961,000 less than reported in June, 1.768 million less than producers indicated in March 2005, and 3.066 million less than planted in 2004 (Table 3). Harvested acreage of soybeans in 2005, however, was only 2.597 million less than harvested acreage in 2004. Unharvested area of 781,000 acres in 2005 is at the very low end of historical experience.

About half of the decline (1.55 million acres) in planted acreage of soybeans in 2005 came in western corn belt states. Acreage declined by 540,000 in eastern corn belt states and 976,000 in the rest of the country (Table 4). Still, over half of the U.S. soybean acreage was planted in the western corn belt in 2005. The share of the acreage in southern states declined to about 15 percent.

Record Large Stocks on December 1

Stocks of U.S. soybeans on December 1, 2005 stood at a record 2.5 billion bushels, nearly 200 million more than stocks of a year earlier (Table 5). Much of that increase was in off-farm facilities as on-farm stocks of corn ware up from that of a year ago. The estimated level of December 1 stocks implies that 840.4 million bushels of U.S. soybeans were consumed during the first quarter of the

current marketing year. That is 92 million less than first quarter consumption of a year ago and the lowest level of use in 5 years. The U.S. Census Bureau indicated that the first quarter crush of soybeans was a record 442.3 million bushels, 14.9 million more than the crush during the first quarter of the 2004-05 marketing year. The crush in December 2005 reached only 148 million bushels, two million less than in December 2004. Cumulative crush for the first four months of the year, then, is only 12.9 million above that of a year ago.

Census Bureau and USDA estimates of soybean exports indicated that first quarter shipments totaled only 315.6 million bushels, 90.2 million, or 22.2 percent, less than shipments of a year earlier. First quarter exports were the lowest in 6 years. Seed, food and residual use of soybeans (all calculated as a residual) is estimated at 82.5 million bushels, nearly 17 million less than during the same quarter last year. The quarterly pattern of seed, feed and residual use varies significantly from year to year and serves mainly as a double-check of the estimate of crop size. The relatively low level of use this year indicates the production estimate of 3.086 billion bushels is likely very close to actual crop size.

The domestic crush of soybeans is driven primarily by soybean meal demand. That is particularly true this year since the average oil content of the 2005 soybean crop is record high. At 11.65 pounds, the expected average yield is nearly one quarter pound higher than the average yield of the 2004 crop and nearly one half pound higher than the average yield from the 2003 crop. An increase in domestic

meal consumption this year is being driven by a modest increase in livestock and poultry numbers and some increase in average slaughter weights of both cattle and hogs. The USDA projects a 2.2 percent increase in domestic meal consumption this year. The USDA projects a decline of 740,000 tons (10 percent) in U.S. meal exports from the relatively high level of last year. As of January 19, the USDA's *Export Sales* report showed that meal export shipments to date plus unshipped sales were 5 percent less than the total of a year earlier. Four months into the 2005-06 marketing year for meal, the USDA projections appear to be reasonable and are used here (Table 6).

At the projected level of consumption, meal use would require the crush of 1.73 billion bushels of soybeans during the 2005-06 marketing year if the average meal yield from the 2005 crop is near the 47.2 pounds average experienced in the first four months of the year. That average would be about .8 pounds less than the yield from the 2004 crop and about .3 pounds below the average yield of the 2003 crop. The lower yield this year reflects the higher oil content of the 2005 crop. The slower rate of crush in December 2005, along with a build-up in meal stocks during the month, is a red flag that the crush projection for the year may be too high.

If 1.73 billion bushels of soybeans are crushed during the current marketing year, about 20.955 billion pounds of soybean oil will be produced. Domestic soybean oil consumption has tended to increase about 2 percent per year, about in line with population growth. Last year, however, use increased by 3.4 percent as

prices declined and bio-diesel production expanded. A 3.5 percent increase this year would put total domestic use at 18.05 billion pounds, just below the USDA projection of 18.1 billion pounds. The USDA forecasts U.S. soybean oil exports at 1.35 billion pounds, about equal to exports of last year. As of January 19, the total commercial export shipments of U.S. oil plus unshipped sales totaled about 395 million pounds, 45 percent less than commitments of a year ago. The USDA's export projection may be a bit optimistic. We are using a forecast of 1.3 billion pounds. At the projected level of consumption, U.S. soybean oil stocks at the end of the current marketing year would total 2.569 billion pounds, 870 million larger than stocks at the beginning of the year and the largest year ending inventory in 5 years (Table 7).

The pace of U.S. soybean exports has continued to be relatively slow since December 1, 2005. As of January 19, cumulative export shipments were 27 percent behind the shipments of a year ago. The pace relative to that of a year ago actually showed even more during the six weeks since December 1. Unshipped sales of soybeans on January 19 totaled only 166 million bushels, compared to 188 million on the same date last year. Only Taiwan and Mexico have purchased more U.S. soybeans than at this time last year. Sales to the major buyers, the European Union and China were down by 63 percent and 27 percent respectively. The decline reflects lost market share to Brazil as Chinese imports from all sources are expected to be 60 million bushels larger this year than imports of a year ago.

The USDA now forecasts U.S. soybean exports during the 2005-06 marketing year at 950 million bushels, 153 million (or 14 percent) fewer soybeans than exported last year. The forecast is 165 million less than forecast last fall. The pace of exports and export sales will have to accelerate to reach that projected level. One of the factors that will influence the magnitude of U.S. exports this year is the size of the South American soybean harvest in 2006. The USDA currently projects the Brazilian crop at 2.15 billion bushels, 200 million larger than the 2005 harvest. The Argentine crop is projected at 1.488 billion, 55 million larger than the 2005 harvest (Table 8). For all of South America, production is expected to reach 3.9 billion bushels, 295 million larger than the 2005 harvest. For Brazil, the larger crop is expected to come from a 6 percent decline in acreage and a 17 percent increase in average yields (Table 9). Yields were reduced significantly the past two years to drought conditions in southern Brazil. For Argentina, acreage is thought to be up 5.5 percent and the average yield is expected to be about 2 percent below the high average of a year ago.

The critical part of the South American growing condition is yet to come. Early dryness in Argentina has been replaced with more normal precipitation in January, but it is not clear how much yield reduction, if any, has occurred or if dry weather will persist. If production in South America is near the projected level, U.S. soybean exports may fall short of the current projection of 950 million bushels. We are using a projection of 930 million bushels. At the projected level of consumption of U.S. soybeans, stocks at

the end of the current marketing year would total 525 million bushels, only 11 million below the record level of stocks at the end of the 1985-86 marketing year (Table 11).

U.S. Soybean Acreage to Increase in 2006?

U.S. soybean acreage declined sharply in 2005 as corn acreage increased and total planted acres of all crops declined. Planted acreage of principal crops in the U.S. declined by 3.3 million acres in 2004 and another 4.6 million acres in 2005. The two-year decline represented a 2.4 percent reduction in planted acreage. The decline was widely spread geographically, but the largest decline, 1.7 million acres, was in Texas. While planted acreage of principal crops declined by nearly 8 million acres in the past two years, harvested acreage declined by only 3.8 million.

For 2006, the early thinking is that soybean acreage will be larger than in 2005. The primary reason is that the potential profitability of soybeans exceeds that of second year corn in many areas due to the sharp increase in production costs for corn. For many, planting decisions have not been finalized and changes in relative prices of corn and soybean can still influence decisions. Several factors may limit the increase in soybean acreage. First, many producers prefer growing corn. Second, many corn producers are tied to corn production due to livestock production, food grade corn contracts and commitments to ethanol plants. Third, many producers can reduce cost of growing corn by adhering to the new, lower Nitrogen application rates being recommended in the corn belt.

Additionally, lower natural gas prices point to lower anhydrous ammonia prices. Fourth, the 934,000 acreage increase in winter wheat seedings will reduce the availability of acreage for spring planted crops. Wheat acreage in the eastern corn belt is up by more than 500,000 acres.

The USDA will survey producers planting intentions in March and release the *Prospective Plantings* report on March 31. At this juncture, we anticipate an increase in planted acreage of about 1 million acres, and an increase in harvested acreage of 800,000 to a total of 72.14 million. A national average yield of about 42 bushels, then, would produce a 2006 crop of 3.03 billion bushels. A crop of that size would lead to a further buildup in inventory during the 2006-07 marketing year. It may be the job of the market to discourage soybean acreage in the U.S. in 2006, depending on how the 2006 South American crop turns out.

Price Prospects

The average U.S. farm price during the first 4 months of the 2005-06 marketing year averaged about \$5.70 per bushel. That price is very near the fall marketing year average for 2004-05 even though the surplus of soybeans is much larger than that of a year ago. The high prices, particularly the surge in late December 2005, did not appear warranted and may have served to discourage consumption rather than encourage consumption. However, the early high price will influence the average price for the year since more than 40 percent of the 2005 crop was likely sold at those prices. The USDA now projects the marketing year average price in a range of \$5.10 to

\$5.80. At the close of trade on January 27, the futures market reflected an average farm price for the remainder of the marketing year of about \$5.85. If prices remained unchanged, then, the average farm price for the 2005-06 marketing year would be near \$5.80. Our model that correlates the historical year ending stocks-to-use ratio (which we project at 18.65 percent) to the marketing year average price would suggest a 2005-06 marketing year average price under \$5.00 per bushel. The soybean market appears to still be significantly over valued, even with the price declines of mid-January.

Why are prices so high in light of huge surpluses in the U.S., decent crop conditions in South American, and the expectation that U.S. soybean acreage will increase in 2006? Some point to the influence of speculative traders that have supported prices above value. Others tend to just want to trust the market, believing that while there is no apparent fundamental reason for high prices, the reason will be revealed later in the form of a demand surge or crop problems. A third alternative is that the market has made a mistake and that sharp price declines will be required. A marketing year average price of \$5.40 is projected here, suggesting that prices will in fact decline.

The lowest cash price to date in central Illinois during the current marketing year is \$5.15, occurring on October 10, 2005. That low is \$.35 above the low of the 2004-05 marketing year (\$4.80 on October 13, 2004). The highest cash price to date is \$6.035, occurring on January 4, 2006. The range from high to low of \$.885 will likely be exceeded

before the marketing year is completed on August 31, 2006. Based on current fundamentals, a new marketing year low would be expected and would likely occur in the summer of 2006 if both the South American and U.S. crops escape major damage. However, a marketing year high cash price occurring in January is very rare, occurring only once in the past 32 years. Ironically, that was in 1985-86, the year of record large year ending stocks of U.S. soybeans, a situation much like that expected this year.

At this time, there appears little reason for soybean prices to go higher. However, uncertainty about the South American crop and threats to the 2006 U.S. crop will likely provide an opportunity for at least one more price rally, particularly if speculative buying interest remains strong. That rally would also provide an opportunity for pricing some of the 2006 crop. As of January 27, the futures market reflected a 2006-07 marketing year average farm price of about \$6.10. For that price to persist until harvest would require the 2006 U.S. soybean harvest to be about 15 percent smaller than the 2005 crop.

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Table1. United States Soybean Yield Estimates

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	million bushels																										
August 1	30.3	27.4	30.2	32.3	29.7	30.5	31.5	32.9	34.7	26.0	32.3	32.5	31.8	35.8	33.8	37.6	36.4	36.3	39.5	39.5	39.2	40.7	38.7	36.5	39.4	39.1	38.7
September 1	30.9	27.0	31.2	32.6	24.9	30.3	33.2	33.1	34.0	25.9	32.0	32.4	31.0	35.9	34.0	38.2	37.0	35.8	39.3	40.6	37.9	39.5	38.2	37.0	36.4	38.5	39.6
October 1	31.5	26.0	31.5	32.4	24.7	29.5	33.9	33.3	34.2	26.4	32.6	32.3	33.0	36.3	33.7	40.5	35.5	37.0	39.0	38.7	37.0	38.7	39.2	37.0	34.0	42.0	41.6
November 1	31.8	26.5	31.0	32.4	25.0	28.5	34.2	33.8	34.1	26.6	32.8	33.7	33.5	37.3	32.7	41.5	35.4	37.9	39.2	38.6	36.7	38.0	39.4	37.5	33.8	42.6	42.7
January 1	32.2	26.8	30.4	32.2	25.7	28.2	34.1	33.8	33.7	26.8	32.4	34.0	34.3	37.6	32.0	41.9	34.9	37.6	39.0	38.9	36.5	38.1	39.6	37.8	33.4	42.5	43.3
FINAL	32.1	26.5	30.1	31.5	26.2	28.1	34.1	33.3	33.9	27.0	32.3	34.1	34.2	37.6	32.6	41.4	35.3	37.6	38.9	38.9	36.6	38.1	39.6	38.0	33.9	42.2	

Table 2. United States Soybean Production Estimates

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	million bushels																										
August 1	2,130	1,880	2,017	2,293	1,843	2,035	1,959	1,979	2,000	1,474	1,905	1,836	1,869	2,079	1,902	2,282	2,246	2,300	2,744	2,825	2,870	2,989	2,867	2,628	2,862	2,877	2,791
September 1	2,174	1,831	2,089	2,314	1,535	2,028	2,063	1,980	1,957	1,472	1,889	1,835	1,817	2,085	1,909	2,316	2,285	2,270	2,746	2,909	2,778	2,900	2,834	2,656	2,643	2,836	2,856
October 1	2,213	1,757	2,107	2,300	1,517	1,972	2,108	1,992	1,968	1,501	1,926	1,823	1,934	2,108	1,891	2,458	2,190	2,346	2,722	2,769	2,696	2,823	2,907	2,654	2,468	3,107	2,967
November 1	2,236	1,775	2,077	2,300	1,535	1,902	2,129	2,009	1,960	1,512	1,937	1,904	1,962	2,167	1,834	2,523	2,183	2,403	2,736	2,763	2,673	2,777	2,923	2,690	2,452	3,150	3,043
January 1	2,268	1,817	2,030	2,277	1,595	1,861	2,099	2,007	1,905	1,539	1,927	1,922	1,986	2,197	1,809	2,558	2,152	2,382	2,727	2,757	2,643	2,770	2,891	2,730	2,418	3,141	3,086
FINAL	2,261	1,798	1,989	2,190	1,636	1,861	2,099	1,943	1,938	1,549	1,924	1,926	1,987	2,190	1,870	2,515	2,174	2,380	2,689	2,741	2,654	2,758	2,891	2,756	2,454	3,124	

Table 3. Soybean Planting Intentions, Actual Plantings, and Acres Harvested

Year	January Intentions	Mar./April Intentions	June/July Intentions	Actual	Harvested Acreage
			million acres		
1975	57.5	56.6	54.6	54.6	53.8
1976	50.9	49.3	49.0	50.3	49.4
1977	53.1	55.7	59.0	59.0	57.6
1978	63.9	63.7	64.0	64.7	63.3
1979	66.3	68.8	71.6	71.4	70.3
1980	71.6	71.3	70.3	69.9	67.8
1981	----	69.8	68.5	67.5	66.2
1982	69.5 ^a	---	72.2	70.9	69.4
1983	68.8 ^a	65.8 ^b	63.3	63.8	62.5
1984	65.2 ^a	---	68.0	67.8	66.1
1985	64.4 ^a	---	63.3	63.1	61.6
1986	---	62.0	61.8	60.4	58.3
1987	---	56.9	58.7	58.180	57.172
1988	---	58.0	58.5	58.840	57.373
1989	---	61.7	61.3	60.820	59.282
1990		59.42	58.05	57.795	56.283
1991	58.5	57.12	59.78	59.180	58.169
1992		57.42	59.03	59.180	58.233
1993		59.30	61.58	60.085	57.307
1994		61.12	61.78	61.620	60.809
1995		61.45	63.105	62.495	61.544
1996		62.478	63.895	64.195	63.349
1997		68.800	70.850	70.005	69.110
1998		72.000	72.720	72.025	70.441
1999		73.105	74.205	73.730	72.446
2000		74.871	74.501	74.266	72.408
2001		76.657	75.416	74.075	72.975
2002		72.966	72.993	73.963	72.497
2003		73.182	73.653	73.404	72.476
2004		75.411	74.809	75.208	73.958
2005		73.910	73.103	72.142	71.361

^a February 1^b May 1

Table 4. Planted Acres of Soybeans by Region

Region	Western Corn Belt ^a		Eastern Corn Belt ^b		Mid-South ^c		Southeast ^d		East Coast ^e		United States	
	000 acres	%	000 acres	%	000 acres	%	000 acres	%	000 acres	%	000 acres	%
1976	16,145	32.1	14,530	28.9	13,630	27.1	4,799	9.6	1,122	2.3	50,226	100.0
1979	23,370	32.7	19,620	27.5	18,470	25.9	8,360	11.7	1,591	2.2	71,411	100.0
1986	24,875	41.2	18,300	30.3	10,995	18.2	4,680	7.8	1,535	2.5	60,385	100.0
1987	24,120	41.5	18,580	31.9	10,330	17.8	3,675	6.3	1,475	2.5	58,180	100.0
1988	24,310	41.3	18,680	31.7	10,460	17.8	3,810	6.5	1,580	2.7	58,840	100.0
1989	24,790	40.8	19,020	31.3	10,750	17.7	4,460	7.3	1,800	2.9	60,820	100.0
1990	23,750	41.1	18,490	32.0	10,270	17.2	3,650	6.3	1,635	2.8	57,795	100.0
1991	26,035	44.0	19,420	32.8	8,990	15.2	3,005	5.1	1,730	2.9	59,180	100.0
1992	25,400	42.9	20,000	33.8	8,980	15.2	2,915	5.2	1,715	2.9	59,180	100.0
1993	25,300	42.1	20,410	34.0	9,690	16.1	2,915	4.9	1,770	2.9	60,085	100.0
1994	27,220	44.1	20,510	33.3	9,220	15.0	2,875	4.7	1,795	2.9	61,620	100.0
1995	28,210	45.1	21,130	33.8	9,130	14.7	2,290	3.6	1,735	2.8	62,495	100.0
1996	28,250	44.0	22,370	34.8	9,390	14.6	2,565	4.0	1,620	2.5	64,195	100.0
1997	32,450	46.4	22,610	32.3	10,390	14.8	2,777	4.0	1,778	2.5	70,005	100.0
1998	33,700	46.8	23,650	32.8	10,180	14.1	2,690	3.8	1,805	2.5	72,025	100.0
1999	35,800	48.5	24,100	32.7	9,700	13.2	2,360	3.2	1,770	2.4	73,730	100.0
2000	37,050	49.9	24,050	32.4	9,010	12.1	2,230	3.0	1,926	2.6	74,266	100.0
2001	37,700	50.9	24,650	33.3	7,685	10.4	2,135	2.9	1,905	2.5	74,075	100.0
2002	37,070	50.1	24,740	33.5	8,170	11.0	2,145	2.9	1,838	2.5	73,963	100.0
2003	37,650	51.3	23,770	32.4	7,990	10.9	2,253	3.0	1,741	2.4	73,404	100.0
2004	38,000	50.5	23,550	31.4	9,100	12.1	2,579	3.4	1,979	2.6	75,208	100.0
2005	36,450	50.5	23,010	31.9	8,495	11.8	2,259	3.1	1,928	2.7	72,142	100.0

^a Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota^b Illinois, Indiana, Michigan, Ohio, Wisconsin^c Arkansas, Kentucky, Louisiana, Mississippi, Oklahoma, Tennessee, Texas^d Alabama, Florida, Georgia, North Carolina, South Carolina^e Delaware, Maryland, New Jersey, New York, Pennsylvania, Virginia, West Virginia

Table 5. Soybean Quarterly Balance Sheet

	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	million bushels																							
September 1 stocks	254.5	344.6	175.7	316.1	536.4	436.4	302.5	182.0	239.1	329.0	278.4	292.3	209.1	334.8	183.5	131.8	199.8	348.5	290.2	247.7	208.0	178.3	112.4	255.7
Production	2,190.3	1,635.8	1,860.9	2,099.1	1,942.6	1,937.7	1,548.8	1,923.8	1,925.9	1,986.6	2,190.4	1,869.7	2,514.9	2,174.3	2,380.3	2,688.8	2,741.0	2,653.8	2,757.8	2,890.7	2,756.1	2,453.7	3,123.7	3,086.4
TOTAL	2,444.8	1,980.4	2,036.6	2,415.2	2,479.0	2,374.1	1,855.3	2,108.8	2,167.0	2,319.6	2,470.8	2,167.0	2,730.0	2,514.1	2,572.8	2,825.6	2,943.8	3,006.3	3,052.0	3,141.3	2,968.8	2,637.6	3,241.7	3,346.1
September-November																								
Crush	284.2	269.6	253.7	267.5	295.8	293.4	275.4	273.0	304.1	322.0	328.2	329.6	346.2	351.4	360.6	395.8	409.3	426.7	420.9	427.5	417.5	419.4	427.4	442.3
Export	245.9	190.6	153.4	166.5	216.5	260.8	138.3	168.5	120.1	167.1	235.9	176.0	230.9	233.6	289.7	365.3	268.5	297.8	315.5	348.6	320.4	385.7	405.8	315.6
Seed, residual	-36.2	48.5	14.8	21.5	10.1	64.6	74.8	56.6	58.8	51.5	70.7	79.8	50.9	95.7	97.4	66.9	78.5	98.9	75.6	89.6	112.3	140.5	99.3	82.5
TOTAL	493.9	508.7	421.9	455.4	522.4	618.8	488.5	498.1	483.0	540.6	634.8	585.4	628.0	681.7	747.7	826.2	758.8	823.4	812.0	865.7	850.2	945.6	932.4	840.4
December 1 stocks	1,950.9	1,471.7	1,614.7	1,959.8	1,956.6	1,755.3	1,366.8	1,610.7	1,684.0	1,779.0	1,836.0	1,573.6	2,102.0	1,833.4	1,825.1	1,999.4	2,186.4	2,182.7	2,240.0	2,275.6	2,115.4	1,688.7	2,304.6	2,502.4
Crush	314.9	262.5	276.4	281.9	320.1	317.3	286.3	304.3	301.4	323.1	335.2	327.2	371.8	359.0	400.7	443.1	408.6	408.1	417.9	447.6	422.0	423.2	436.2	
Export	263.6	234.6	230.2	270.9	233.7	258.9	197.0	217.0	179.7	259.6	255.9	212.7	283.5	278.7	333.1	306.4	243.1	315.4	338.4	422.7	425.5	335.1	400.2	
Seed, residual	26.6	18.8	47.0	35.7	63.8	33.0	-6.7	33.9	12.8	19.6	29.3	12.1	76.5	5.3	35.5	46.9	77.0	63.2	79.8	69.3	66.9	25.9	88.3	
TOTAL	605.1	515.9	553.6	588.5	617.6	609.2	476.6	555.2	493.9	602.3	620.4	552.0	731.8	643.0	769.3	796.5	728.7	786.7	836.1	939.6	914.4	784.2	924.7	
March 1 stocks	1,345.8	955.8	1,061.1	1,371.3	1,339.0	1,146.1	890.2	1,055.5	1,190.1	1,177.3	1,215.6	1,021.6	1,370.2	1,190.4	1,055.8	1,202.9	1,457.3	1,396.0	1,403.9	1,336.0	1,202.0	905.8	1,381.4	
Crush	260.1	240.0	258.2	262.3	297.2	308.3	270.1	290.7	295.5	304.0	325.4	320.4	361.7	334.0	355.7	404.9	396.4	373.9	405.4	429.6	400.2	359.5	430.7	
Export	216.2	204.2	153.4	226.4	159.3	185.0	135.5	153.2	146.9	148.2	186.7	120.6	216.6	188.5	165.9	120.0	161.9	205.8	220.8	155.0	194.4	117.6	211.2	
Seed, residual	78.9	39.9	41.1	33.7	45.7	-2.5	20.1	15.7	24.2	29.4	20.1	25.3	0.0	44.9	34.3	84.4	50.4	58.9	69.5	66.5	6.3	19.1	41.1	
TOTAL	555.2	484.1	452.7	522.4	502.2	490.8	425.7	459.6	466.6	481.6	532.2	466.3	578.3	567.4	555.9	609.2	608.7	621.8	695.7	651.1	600.9	496.2	683.1	
June 1 stocks	790.6	471.7	608.4	848.9	836.8	655.3	464.5	595.9	723.5	695.7	683.4	555.3	791.9	622.8	499.9	593.7	848.6	774.4	708.2	684.9	602.4	410.6	699.3	
Crush	248.8	210.6	242.1	241.1	265.5	255.5	225.8	278.4	285.9	304.6	290.0	298.4	325.5	324.9	318.7	353.2	375.4	370.1	395.8	395.0	375.6	327.6	401.8	
Export	179.5	113.6	61.1	76.3	147.4	97.6	56.2	84.2	110.4	109.0	91.0	79.7	107.0	150.5	93.0	78.7	127.5	171.6	121.3	137.2	104.1	48.5	85.5	
Seed, residual	17.7	-28.2	-10.9	-4.9	-12.5	0.3	0.5	-5.8	-1.8	3.1	10.1	-31.9	24.6	-35.2	-43.6	-37.9	-1.3	-55.0	-56.6	-55.3	-54.7	-71.0	-41.3	
TOTAL	446.0	296.0	292.3	312.5	400.4	352.8	282.5	356.8	394.5	416.7	391.1	346.2	457.1	439.6	368.1	393.9	501.6	486.7	460.5	476.9	425.0	299.1	446.0	
September 1 stocks	344.6	175.7	316.1	536.4	436.4	302.5	182.0	239.1	329.0	278.4	292.3	209.1	334.8	183.5	131.8	199.8	348.5	290.2	247.7	208.0	178.3	112.4	255.7	
Annual																								
Crush	1,108.0	982.7	1,030.4	1,052.8	1,178.7	1,174.5	1,057.6	1,146.4	1,186.9	1,253.7	1,278.8	1,275.6	1,405.2	1,369.4	1,435.7	1,595.1	1,589.7	1,578.8	1,650.0	1,699.7	1,615.3	1,529.7	1,696.1	
Export	905.2	743.0	598.1	740.1	756.9	801.7	527.0	622.9	557.1	683.9	769.5	589.0	838.0	851.2	881.7	870.4	801.0	973.8	996.0	1,063.5	1,045.0	887.2	1,102.7	
Seed, residual	87.0	79.0	92.0	85.9	107.0	95.4	88.7	100.4	94.0	103.6	130.2	85.3	152.0	110.4	123.6	160.3	204.6	166.2	168.3	170.1	130.2	108.5	187.4	
TOTAL	2,100.2	1,804.7	1,720.5	1,878.8	2,042.6	2,071.6	1,673.3	1,869.7	1,838.0	2,041.2	2,178.5	1,949.9	2,397.0	2,330.9	2,441.0	2,625.8	2,595.3	2,718.8	2,803.1	2,933.3	2,790.5	2,525.5	2,986.2	

Table 6. Soybean Meal Balance Sheet -- Years Beginning October 1

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	thousand tons																
Beginning stocks	173	318	285	230	204	150	223	212	210	218	330	293	383	240	220	211	172
Production	<u>27,719</u>	<u>28,325</u>	<u>29,831</u>	<u>30,364</u>	<u>30,514</u>	<u>33,270</u>	<u>32,527</u>	<u>34,210</u>	<u>38,176</u>	<u>37,792</u>	<u>37,591</u>	<u>39,385</u>	<u>40,292</u>	<u>38,213</u>	<u>36,325</u>	<u>40,707</u>	<u>40,813</u>
TOTAL ^a	27,982	28,688	30,183	30,687	30,788	33,483	32,825	34,524	38,443	38,109	37,970	39,729	40,818	38,619	36,830	41,075	41,150
Domestic	22,291	22,934	23,007	24,251	25,283	26,542	26,611	27,320	28,895	30,657	30,345	31,643	33,070	32,379	31,449	33,563	34,300
Exports	<u>5,319</u>	<u>5,469</u>	<u>6,946</u>	<u>6,232</u>	<u>5,356</u>	<u>6,717</u>	<u>6,002</u>	<u>6,994</u>	<u>9,330</u>	<u>7,122</u>	<u>7,332</u>	<u>7,703</u>	<u>7,508</u>	<u>6,019</u>	<u>5,170</u>	<u>7,340</u>	<u>6,600</u>
TOTAL	27,610	28,403	29,953	30,483	30,639	33,260	32,613	34,314	38,225	37,779	37,677	39,346	40,578	38,399	36,619	40,903	40,900
Ending stocks	318	285	230	204	150	223	212	210	218	330	293	383	240	220	211	172	250
Price ^b	\$186.48	\$181.38	\$189.21	\$193.75	\$192.86	\$162.55	\$235.92	\$270.90	\$185.28	\$138.55	\$167.70	\$173.60	\$167.73	\$181.57	\$256.05	\$182.89	\$170.00

^a Includes imports^b Bulk, Decatur, Illinois 48%

Table 7. Soybean Oil Balance Sheet -- Years Beginning October 1

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	million pounds																
Beginning stocks	1,715	1,305	1,786	2,239	1,555	1,103	1,137	2,015	1,520	1,382	1,520	1,995	2,767	2,358	1,489	1,076	1,699
Production	<u>13,003</u>	<u>13,406</u>	<u>14,346</u>	<u>13,778</u>	<u>13,951</u>	<u>15,613</u>	<u>15,240</u>	<u>15,752</u>	<u>18,143</u>	<u>18,081</u>	<u>17,825</u>	<u>18,420</u>	<u>18,898</u>	<u>18,438</u>	<u>17,080</u>	<u>19,360</u>	<u>20,155</u>
TOTAL ^a	14,740	14,728	16,132	16,027	15,574	16,733	16,472	17,821	19,723	19,546	19,427	20,488	21,711	20,843	18,875	20,462	21,919
Domestic	12,082	12,163	12,246	13,053	12,941	12,916	13,465	14,263	15,262	15,655	16,056	16,320	16,833	17,089	16,864	17,439	18,050
Exports	<u>1,353</u>	<u>779</u>	<u>1,647</u>	<u>1,419</u>	<u>1,529</u>	<u>2,680</u>	<u>992</u>	<u>2,037</u>	<u>3,079</u>	<u>2,372</u>	<u>1,376</u>	<u>1,401</u>	<u>2,519</u>	<u>2,263</u>	<u>936</u>	<u>1,324</u>	<u>1,300</u>
TOTAL	13,435	12,942	13,893	14,472	14,471	15,596	14,457	16,300	18,341	18,027	17,432	17,721	19,353	19,352	17,800	18,762	19,350
Ending stocks	1,305	1,786	2,239	1,555	1,103	1,137	2,015	1,520	1,382	1,520	1,995	2,767	2,358	1,491	1,076	1,699	2,569
Average Price ^b	22.3¢	21.0¢	19.1¢	21.4¢	27.1¢	27.6¢	24.75¢	22.5¢	25.8¢	19.9¢	15.6¢	14.2¢	16.5¢	22.0¢	30.0¢	23.0¢	21.0¢

^a Includes imports^b Bulk, Decatur, Illinois

Table 8. Soybean Production by Country

Year	United States	Brazil ^a	Argentina ^a	Paraguay ^a	China	Other	World	All Foreign
million bushels								
1970	1,127	76	2	3	254	165	1,627	500
1971	1,176	135	3	4	290	126	1,734	558
1972	1,283	184	10	4	320	66	1,867	584
1973	1,547	289	18	7	367	64	2,292	745
1974	1,215	363	18	8	349	54	2,007	792
1975	1,547	413	26	10	367	46	2,409	862
1976	1,288	460	51	14	242	128	2,183	895
1977	1,762	350	99	12	266	154	2,643	881
1978	1,870	557	136	20	278	167	2,847	977
1979	2,261	376	132	21	274	191	3,255	994
1980	1,798	558	129	22	292	176	2,975	1,177
1981	1,989	471	152	22	342	186	3,162	1,173
1982	2,190	542	154	19	332	200	3,437	1,247
1983	1,636	571	257	20	359	213	3,056	1,420
1984	1,861	672	248	35	356	248	3,421	1,561
1985	2,099	518	268	22	386	272	3,565	1,466
1986	1,943	636	257	35	427	303	3,601	1,658
1987	1,938	662	356	40	457	359	3,812	1,874
1988	1,549	852	235	60	428	387	3,506	1,957
1989	1,924	747	395	58	376	445	3,945	2,020
1990	1,926	579	423	48	404	446	3,826	1,900
1991	1,987	709	410	48	357	435	3,946	1,959
1992	2,188	827	417	64	378	434	4,308	2,120
1993	1,871	908	456	66	563	454	4,318	2,447
1994	2,517	952	459	81	588	460	5,057	2,540
1995	2,177	887	457	88	496	487	4,591	2,415
1996	2,380	1,003	412	102	486	474	4,857	2,477
1997	2,689	1,194	717	110	551	545	5,806	3,117
1998	2,741	1,150	735	112	557	577	5,872	3,131
1999	2,654	1,257	779	107	525	527	5,875	3,221
2000	2,758	1,433	1,021	129	566	525	6,432	3,674
2001	2,891	1,598	1,102	130	566	506	6,793	3,902
2002	2,756	1,911	1,304	165	607	500	7,243	4,487
2003	2,454	1,856	1,212	144	565	612	6,862	4,408
2004	3,124	1,874	1,433	140	639	629	7,912	4,788
2005	3,086	2,150	1,488	176	625	670	8,195	5,109

^a Harvested in the spring of the following year.

Table 9. South American Soybean Area, Yield and, Production, 1988 to Date

Year	Brazil			Argentina			Paraguay		
	Area	Yield	Production	Area	Yield	Production	Area	Yield	Production
	mil. ha.	t/ha.	mil.t	mil. ha.	t/ha.	mil. t.	mil. ha.	t/ha.	mil. t.
1988-89	12.15	1.94	23.60	4.00	1.63	6.50	0.85	1.90	1.62
1989-90	11.55	1.76	20.34	4.95	2.17	10.75	0.98	1.61	1.58
1990-91	9.75	1.62	15.75	4.75	2.42	11.50	0.89	1.46	1.30
1991-92	9.70	1.99	19.30	4.80	2.32	11.15	0.90	1.44	1.30
1992-93	10.63	2.12	22.50	4.90	2.32	11.35	0.98	1.79	1.75
1993-94	11.44	2.16	24.70	5.40	2.30	12.40	1.05	1.71	1.80
1994-95	11.68	2.22	25.90	5.70	2.19	12.50	1.10	2.00	2.20
1995-96	10.95	2.21	24.15	5.98	2.08	12.43	1.10	2.18	2.40
1996-97	11.80	2.27	26.80	6.26	1.81	11.20	1.20	2.31	2.77
1997-98	13.00	2.50	32.50	6.95	2.80	19.50	1.20	2.49	2.99
1998-99	12.90	2.43	31.30	8.17	2.45	20.00	1.20	2.54	3.05
1999-00	13.60	2.51	34.20	8.58	2.47	21.20	1.15	2.52	2.90
2000-01	13.93	2.80	39.00	10.40	2.67	27.80	1.35	2.61	3.52
2001-02	16.35	2.66	43.50	11.40	2.63	30.00	1.45	2.45	3.55
2002-03	18.45	2.82	52.00	12.60	2.82	35.50	1.55	2.90	4.50
2003-04	21.52	2.37	51.00	14.00	2.36	33.00	1.75	2.23	3.91
2004-05	22.84	2.32	53.00	14.40	2.71	39.00	2.00	1.90	3.80
2005-06	21.50	2.72	58.50	15.20	2.66	40.50	2.00	2.40	4.80

Source: USDA, FAS

Table 10. World Oilseed and Soybean Production

Year	Major Oilseeds			Soybeans		
	United States	Ex-United States	Total	United States	Ex-United States	Total
million metric tons						
1977-78	56.5	93.7	150.2	47.95	23.98	71.93
1978-79	58.6	92.0	150.6	50.86	26.62	77.48
1979-80	72.4	98.1	170.5	61.72	31.79	93.51
1980-81	55.8	99.8	155.6	48.77	32.20	80.97
1981-82	64.0	105.5	169.5	54.13	31.93	86.06
1982-83	68.2	110.1	178.3	59.61	33.96	93.57
1983-84	50.4	115.1	165.5	44.52	38.64	84.16
1984-85	59.2	131.7	191.1	50.64	42.50	93.14
1985-86	65.4	130.8	196.2	57.13	39.92	97.05
1986-87	59.4	135.0	194.4	52.87	45.21	98.08
1987-88	60.6	150.0	210.6	52.75	51.06	103.81
1988-89	50.3	153.9	204.2	42.15	53.49	95.64
1989-90	59.3	153.1	212.4	52.35	55.02	107.37
1990-91	60.6	155.1	215.7	52.42	51.57	103.99
1991-92	64.3	160.0	224.3	54.07	53.31	107.38
1992-93	68.4	158.9	227.4	59.61	57.69	117.30
1993-94	59.5	168.4	227.9	50.92	66.58	117.50
1994-95	79.7	181.2	260.9	68.49	69.14	137.63
1995-96	69.1	190.6	259.7	59.24	65.72	124.96
1996-97	74.8	187.0	261.8	64.78	67.40	132.18
1997-98	83.1	203.9	287.0	73.18	84.90	158.07
1998-99	84.4	210.3	294.7	74.60	85.21	159.81
1999-00	82.3	221.1	303.4	72.22	87.68	159.90
2000-01	84.9	228.5	313.4	75.06	100.00	175.06
2001-02	89.8	235.3	325.1	78.67	106.20	184.87
2002-03	83.9	245.7	329.6	75.01	122.11	197.12
2003-04	76.6	258.3	334.9	66.78	119.98	186.76
2004-05	96.0	284.5	380.5	85.01	130.32	215.34
2005-06	96.4	292.5	389	84.00	139.02	223.02

¹WASDE January 2006 and earlier.

Table 11. Soybean Balance Sheet -- Years Beginning September 1

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 ^a
	million bushels																
Carryin	182	239	329	278	292	209	335	183	132	200	348	290	248	208	178	112	256
Production	<u>1,924</u>	<u>1,926</u>	<u>1,987</u>	<u>2,190</u>	<u>1,870</u>	<u>2,515</u>	<u>2,174</u>	<u>2,380</u>	<u>2,689</u>	<u>2,741</u>	<u>2,654</u>	<u>2,758</u>	<u>2,891</u>	<u>2,756</u>	<u>2,454</u>	<u>3,124</u>	<u>3,086</u>
TOTAL ^b	2,109	2,167	2,320	2,470	2,168	2,729	2,514	2,573	2,826	2,944	3,006	3,052	3,141	2,969	2,638	3,242	3,346
Crush	1,146	1,187	1,254	1,279	1,276	1,405	1,369	1,436	1,597	1,590	1,578	1,640	1,700	1,615	1,530	1,696	1,730
Export	623	557	684	770	589	838	851	882	870	805	975	996	1,064	1,045	887	1,103	930
Seed, feed, residual	<u>101</u>	<u>94</u>	<u>103</u>	<u>129</u>	<u>94</u>	<u>151</u>	<u>111</u>	<u>123</u>	<u>159</u>	<u>201</u>	<u>163</u>	<u>169</u>	<u>169</u>	<u>131</u>	<u>109</u>	<u>187</u>	<u>160</u>
TOTAL	1,870	1,838	2,041	2,178	1,954	2,394	2,331	2,441	2,626	2,596	2,716	2,804	2,933	2,791	2,526	2,986	2,820
Carryout	239	329	278	292	209	335	183	132	200	348	290	248	208	178	112	256	526
U.S. Average price	\$5.70	\$5.75	\$5.58	\$5.60	\$6.40	\$5.48	\$6.77	\$7.35	\$6.47	\$4.93	\$4.63	\$4.54	\$4.38	\$5.53	\$7.34	\$5.74	\$5.40

^a Projected^b Includes imports